



**EXHIBIT A**

**MEMBERS OF THE NOT-FOR-PROFIT AND CHARITABLE COALITION**

Alabama Association of Firefighters and Paramedics  
Alabama Fire Fighters Association  
Alabama Jaycees  
Alabama Peace Officers Association  
Alabama Police Olympics  
Alabama Sheriffs Association  
Alabama Sports Festival  
Alabama State Police Association  
American Ex-Prisoners of War Service Foundation, Inc  
American Foundation for Disabled Children  
American Legion, Department of Alabama  
American Legion, Department of Arizona  
American Legion, Department of Georgia  
AMVETS American Veterans  
AMVETS Department of Florida  
AMVETS Department of Iowa  
AMVETS Department of Massachusetts  
AMVETS Department of Michigan  
AMVETS Department of New Jersey Service Foundation  
AMVETS Department of New York  
AMVETS Department of Wisconsin  
AMVETS National Service Foundation, Inc.  
Anne Arundel County (MD) Fire Fighters Local 1563  
Arizona Department of AMVETS, Inc.  
Arkansas Association of Chiefs of Police  
Arkansas Law Enforcement Union  
Arkansas Municipal Police Association  
Arkansas State Police Association  
Asheville (NC) Fire Fighters Association  
Associated Fire Fighters of Arizona  
Associated Fire Fighters of Illinois

**Not-For-Profit and Charitable Coalition**

**CG Docket No. 02-278**

**CC Docket No. 92-90**

**FCC 02-250**

**November 22,2002**

Baltimore County (MD) Professional Fire Fighters Association  
Broward County (FL) Police Benevolent Association  
California Narcotics Officers Association  
California Organization of Police and Sheriffs  
California Police Activities League  
Cancer Federation Inc.  
Central Alabama Fire Fighters  
Central Ohio Police Officers Training  
Chatham County (GA) Police Association, Inc.  
Chattanooga (TN) Firefighters Association, Local 820  
Childhood Leukemia Foundation  
Clarksville (TN) Fire Fighters Association  
Colorado Jaycees  
Colorado Law Enforcement Officers Association  
Colorado Police Protective Association  
Colorado Vietnam Veterans, Inc.  
Committee for Missing Children  
Concord (NC) Professional Fire Fighters Association  
Connecticut Police Chiefs Association  
Crime Stoppers, Inc.  
D.A.R.E. Indiana, Inc.  
Dade County (FL) Fire Fighters  
Dade County (FL) PBA  
Delaware-Maryland Paralyzed Veterans  
Department of Iowa, Veterans of Foreign Wars  
Department of Kansas, Veterans of Foreign Wars  
Department of Kentucky, Veterans of Foreign Wars  
Department of Michigan, Veterans of Foreign Wars  
Department of Montana, Veterans of Foreign Wars  
Department of Nebraska, Veterans of Foreign Wars  
Department of Nevada, Veterans of Foreign Wars  
Department of New York, Veterans of Foreign Wars  
Department of South Dakota, Veterans of Foreign Wars  
Department of Washington Veterans of Foreign Wars  
Deputy Sheriffs Association of Michigan

Not-For-Profit and Charitable Coalition  
CG Docket No. 02-278  
CC Docket No. 92-90  
FCC 02-250  
November 22, 2002

Disabled American Veterans Department of Wisconsin  
EMS Association of Texas Inc.  
Enlisted Association of the National Guard of the United States (EANGUS)  
Fairfax (VA) Coalition of Police  
Find the Children  
Fire Fighters Council of Central Florida (FL)  
Florida American Legion  
Florida Association of Professional EMTs and Paramedics  
Florida Law Enforcement Games  
Florida Professional Fire Fighters  
Florida Sheriffs Deputies Association  
Foundation of Iowa Jaycees Charities  
Georgia State Fire Fighters Association  
Georgia Association of EMT's Inc.  
Hawaii State Fire Fighters Association  
Idaho Jaycees  
Idaho Sheriffs Association  
Illinois Association of Chiefs of Police  
Illinois Drug Enforcement Officers Association  
Illinois Jaycees  
Illinois Police Association  
Illinois State Troopers, Lodge 41  
Illinois Vietnam Veterans, Inc.  
Indiana Association of Chiefs of Police  
Indiana Association of Chiefs of Police Foundation  
Indiana Jaycees  
Indiana Troopers Association  
International Law Enforcement Games  
International Union of Police Associations (IUPA) (AFL-CIO)  
Iowa Professional Fire Fighters  
Iowa State Peace Officers Council  
Iowa State Police Association  
Italian American Police Society of New Jersey  
Jersey City (NJ) Police Athletic League  
Kansas Association of Chiefs of Police

Not-For-Profit **and** Charitable Coalition  
**CG Docket No. 02-278**  
**CC Docket No. 92-90**  
**FCC 02-250**  
**November 22, 2002**

Kansas Jaycees  
Kansas Narcotics Officers Association  
Kansas Peace Officers Association  
Kansas Sheriffs Association  
~~Kansas~~ State Council of Fire Fighters  
Kentucky Association of Chiefs of Police  
Kentucky Professional Fire Fighters  
Kentucky State Police Professional Association  
Kids Wish Network  
Lexington (NC) Fire Fighters Association Local **3064**  
Lisle-Woodridge Fire Fighters Union (IL)  
Lombard (IL) Fire Fighters Union  
Louisiana Union of Police Associations (AFL-CIO)  
Maryland and District of Columbia Professional Fire Fighters Association  
Maryland Coalition of Police and Deputy Sheriffs (AFL-CIO)  
Maryland Law Enforcement Officers, Inc.  
Maryland Sheriffs Association  
Maryland Troopers Association, Inc.  
Massachusetts Call Volunteer Firefighters Association  
Massachusetts Reserve Police Federation  
Mecca Temple Shrine of New **York** City (NY)  
Michigan Association of Fire Fighters  
Michigan Jaycees  
Michigan Paralyzed Veterans of America  
Michigan Professional Fire Fighters Union  
Military Order of the Purple Heart Service Foundation  
Minnesota Chiefs of Police Association  
Minnesota Police and Peace Officers Association  
Minnesota Professional Fire Fighters  
Minnesota State Patrol Troopers Association  
Miracle Flights for Children  
Mississippi Association of Chiefs of Police  
Missouri Federation of Police Chiefs  
Missouri Jaycees Inc.  
Missouri Peace Officers Association

Not-For-Profit and Charitable Coalition

**CG Docket No. 02-278**

**CC Docket No. 92-90**

**FCC 02-250**

**November 22,2002**

Missouri State Council of Fire Fighters  
Missouri Union of Law Enforcement Local 57-AFLCIO  
Missouri Vietnam Veterans Foundation  
Mobile (AL) Fire Fighters Association  
Monroe County (FL) PBA  
Montana Association of Chiefs of Police  
Montana Jaycees  
Montana Police Protective Association  
Montana Vietnam Veterans, Inc.  
Mothers Against Drunk Driving (MADD)  
Multiple Sclerosis Association of America  
National Association of Police Organizations (NAPO)  
National Children's Cancer Society, Inc.  
National Federation of the Blind  
National Narcotics Officers Association Coalition (NNOAC)  
Nebraska Jaycees  
Nebraska Professional Fire Fighters  
Nebraska Sheriffs Association  
Nevada State Firefighters' Association  
New Hampshire Jaycees  
New Hampshire Association of Chiefs of Police  
New Jersey Superior Officers Association  
New Mexico Police Athletic League  
New Mexico Public Safety Officers (AFL-CIO)  
New Mexico Sheriffs & Police Association  
New **York** Association PBA Inc.  
New **York** State Union of Police Associations (AFL-CIO)  
New **York** Vietnam Veterans Foundation  
North Bergen (NJ) Police Athletic League  
North Carolina Coalition of Police  
North Carolina Troopers Association  
North Dakota Jaycees  
North Dakota Troopers Association  
North Dakota Vietnam Veterans of America  
Ohio Association of Chiefs of Police

**Not-For-Profit and Charitable Coalition**

**CG Docket No. 02-278**

**CC Docket No. 92-90**

**FCC 02-250**

**November 22, 2002**

Ohio Council of Police Safety Associations  
Ohio Fire Chiefs Association  
Ohio Jaycees  
Ohio State Troopers Association, Inc.  
Ohio Troopers Coalition, Inc.  
Oklahoma Association of Chiefs of Police  
Oklahoma Sheriffs and Peace Officers Association  
Oklahoma Vietnam Veterans Charitable Foundation, Inc.  
Oregon Association of Chiefs of Police  
Palm Beach County (FL) Council of Fire Fighters and Paramedics  
Paterson (NJ) Police Athletic League  
Patrolman's Benevolent and Police Association of Illinois  
Peace Officers Association of Georgia, Inc.  
Pennsylvania Professional Fire Fighters Association  
Phillipsburg (NJ) Police Athletic League  
Plainfield (NJ) Police Athletic League  
Police Athletic League of New Jersey  
Police Athletic League of Parsippany-Troy Hills (NJ)  
Police Conference of New York  
Police Officers Association of Michigan  
Police Officers Defense Fund of New York State, Inc.  
Police Officers Labor Council  
Professional Fire Fighters of Alabama  
Professional Fire Fighters of Georgia  
Professional Fire Fighters of Greensboro (NC)  
Professional Fire Fighters of Oklahoma  
Professional Fire Fighters & Paramedics of North Carolina  
Professional Fire Fighters of North Dakota  
Professional Fire Fighters of South Dakota  
Professional Fire Fighters of Utah  
Professional Fire Fighters of Vermont  
Professional Fire Fighters of West Virginia  
Professional Fire Fighters of Wisconsin  
Professional Fire Fighters Union of Indiana  
Raleigh (NC) Professional Fire Fighters Local 548

Not-For-Profit and Charitable Coalition

**CG Docket No. 02-278**

**CC Docket No. 92-90**

**FCC 02-250**

**November 22.2002**

Retired Police Association of the State of New York  
Rhode Island Vietnam Veterans of America, Inc.  
Roanoke (VA) Fire Fighters Association  
Rock Hill (SC) Fire Fighters Association  
Rockford City (IL) Fire Fighters Union IAFF Local #413  
Salem (VA) Professional Fire Fighters Association Local #3478  
South Carolina Troopers Association  
South Dakota Peace Officers Association  
South Florida Council of Fire Fighters  
Southwest Florida Professional Fire Fighters & Paramedics  
Southwest Florida Professional Fire Fighters and Paramedics  
Special Olympics Arizona  
Special Olympics Arkansas  
Special Olympics of New Hampshire  
Special Olympics Indiana  
Special Olympics Florida  
Special Olympics Massachusetts  
Special Olympics Maryland Inc.  
Special Olympics Missouri  
Special Olympics New Hampshire  
Special Olympics North Carolina, Inc  
Special Olympics Ohio  
Special Olympics Rhode Island  
Special Olympics South Dakota  
Special Olympics Southern California  
Special Olympics Tennessee  
State of Florida Association of Police Athletic/Activities Leagues  
State Peace Officers Council  
Tennessee Jaycees  
Tennessee Law Enforcement Officers Association  
Tennessee Police Federation  
Tennessee Vietnam Veterans  
Texas Department of Public Safety Officers Association  
Texas Police Chiefs Association  
Texas State Association of Fire Fighters

**Not-For-Profit and Charitable Coalition**

**CG Docket No. 02-278**

**CC Docket No. 92-90**

**FCC 02-250**

**November 22, 2002**

Texas State Troopers Association  
The Leukemia and Lymphoma Society  
The Trust for Maryland Vietnam Veterans  
Tulsa (OK) Fire Fighters Local 176  
Uniformed Fire Fighters of Connecticut  
United Professional Fire Fighters Association of Connecticut  
United States Junior Chamber  
Veterans Assistance Foundation, Inc.  
Veterans of Foreign Wars, Department of Massachusetts  
Veterans of Foreign Wars, Department of New Mexico  
Vietnam Veterans Foundation of Georgia  
Vietnam Veterans Foundation of Iowa  
Vietnam Veterans of Iowa, Inc.  
Vietnam Veterans Foundation of Texas, Inc.  
Vietnam Veterans of America – Connecticut State Council  
Vietnam Veterans of America, Ohio State Council  
Vietnam Veterans of Kentucky, Inc.  
Vietnam Veterans of Nebraska  
Vietnam Veterans of Virginia, Inc.  
Virginia Coalition of Police and Deputy Sheriffs (AFL-CIO)  
Virginia Police Chiefs Foundation  
Virginia Professional Fire Fighters  
Washington Jaycees  
Washington State Fire Fighters Association  
Washington State Law Enforcement Association  
West Virginia Chiefs of Police Association  
West Virginia Troopers Association  
West Virginia Vietnam Veterans Foundation  
Wisconsin Jaycees  
Wisconsin Law Enforcement Officers Association  
Wisconsin Professional Police Association  
Wisconsin Sheriffs & Deputy Sheriffs Association  
Wisconsin Troopers Association, Inc.  
Wisconsin Veterans Assistance Foundation  
Wish Upon a Star Foundation (IL)

**Not-For-Profit and Charitable Coalition**

**CG Docket No. 02-278**

**CC Docket No. 92-90**

**FCC 02-250**

**November 22,2002**

Wyoming Highway Patrol Association



**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**TCLEMARKETING RULEMAKING – COMMENT  
FTC FILE NO. R411001**

**DECLARATION OF HENRY C. SUHRKE**

I, Henry C. Suhrke, state as follows:

1. I ~~am~~ the editor and publisher of the Philanthropy Monthly (“PM”), a publication devoted exclusively to issues and developments in the not-for-profit (“nonprofit”) fundraising sector of the economy. I have held this position since 1968 when I founded PM. In 1977, I founded and have continued to the present as the publisher of the Survey of State Laws Regulating Charitable Solicitations (“Survey”). The Survey is a looseleaf publication that summarizes the State laws regulating fundraising. Revisions are published as statutes are amended or new statutes passed so that the compilation remains current. The Survey is used by nonprofit and charitable organizations, as well ~~as~~ their legal counsel, to aid compliance with the law.

2. My knowledge of nonprofit and charitable organizations, and in particular the fundraising activities by and on behalf of such nonprofit and charitable organizations, is based upon 49 years of experience in working in numerous capacities for these organizations. Specifically, I began my career in fundraising as Assistant Finance Director of the Committee for Economic Development in New York City. This involved personal calls on business leaders to carry out the fundraising program of this business policy studies group. In 1955, I worked as the Finance Director of the Eisenhower Exchange Fellowships, a new exchange of

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. R411001**

persons program with foreign countries. My assignment was to head the in-house Development Department including planning the fundraising campaign, creating material to be published, supervising staff, and operating the campaign.

In 1957, I was asked to serve as Finance Director of the U.S. Council of the International Chamber of Commerce. My assignment was, in effect, to operate the in-house Membership Department of the U.S. Council including its renewal, new membership and upgrading efforts.

Between 1959-1980, I was a principal of Henry C. Suhrke, Inc. (“Suhrke, Inc.”), a professional fundraising ~~firm~~ located in New York City and, after 1970, in Connecticut. The clients of Suhrke, Inc. included: the U.S. Council, Eisenhower Exchange Fellowships, The Salk Institute, The Travel Program for Foreign Diplomats, The National Bureau of Economic Research, The Fletcher School for Law and Diplomacy, and The U.S. Committee for Refugees. In 1963, Suhrke, Inc. was retained by the John F. Kennedy Center for the Performing **Arts** (then called the “National Cultural Center”) to manage its corporate capital (building) fund campaign, **as well as** “special events” ranging from trustee and board member affairs to a White House luncheon for which I prepared invitation lists, remarks for President Kennedy, and coordinated arrangements with White House staff. Subsequent clients, including the Council for Livestock Protection, involved extensive experience with direct marketing including house list solicitations and enlisting new donors. Other work included feasibility studies for a number of organizations considering undertaking a fundraising

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. 11411001**

campaign

3. My **15** years of hands-on experience as a professional fundraiser laid the basis for the expertise required to draft, edit, and publish PM and the Survey. Likewise journalistic experience in the subsequent **34** years expanded my proficiency in fundraising matters, especially fundraising regulation, inasmuch as most of the **regulatory** initiatives in place today were developed during *this* period. Each **was** a major center of discussion and dispute at its introduction and PM, under my editorial guidance, played a leading role in the analysis and debate on cost/benefits involved and of the consequences for charitable nonprofit work. Examples include a comprehensive expansion of regulatory functions at the Internal Revenue Service, including taxation of unrelated business income, the taxation of private foundations under the ~~Tax~~ Reform Act of **1969**, as **well** as burgeoning State government oversight of fundraising and the development of new accounting standards for nonprofits.

I also participated in key industry functions in this connection—especially in initiatives connected with fundraising costs – and addressed professional groups on technical matters, such **as** the financial managers of the American Cancer Society, the Coopers & Lybrand annual conference, the **annual** meeting of the American Red Cross, and the (U.S.) National Society of Fundraising Executives. My qualifications as **an** expert witness for both trial and deposition testimony were recognized in **court** cases concerning fundraising costs brought by the State of Maine and the State of Illinois. My *curriculum vitae* provides further details on my qualifications to comment on the proposed amendments to the Telemarketing Sales Rule.

TELEMARKETING RULEMAKING – COMMENT  
FTC FILE NO. R411001

Exhibit 1

4. I have considered the impact on nonprofit and charitable organizations of the Federal Trade Commission's ("Commission") proposed amendments to the Telemarketing Sales Rule, 16 C.F.R. § 310 *et seq.* ("TSR"). At least five proposed TSR amendments, individually and collectively, will have a substantial negative impact on nonprofit and charitable organizations leading to irreparable harm. The proposed amendments include (a) creating a national "Do-Not-Call" registry that would prohibit telephone charitable solicitation by professional fundraisers on behalf of nonprofit and charitable organizations without the explicit consent of donors, (b) expanding the definition of "telemarketing" to include charitable contributions, but excluding political or religious donations, (c) requiring specific disclosures applicable to solicitation of charitable contributions, (d) adding "fraudulent charitable solicitations" to the list of deceptive telemarketing acts or practices in the TSR, and (e) eliminating the TSR exemption applicable to business-to-business charitable solicitations. Although each of these changes creates immeasurable harm, my comments are focused primarily on the most injurious proposed amendment, that is, the national "Do-Not-Call" registry.

5. ***The proposed national "Do-Not-Call" registry would do irreparable harm to all charitable giving.*** The magnitude of the anti-social aspects of the "Do-Not-Call" registry proposal is breathtaking. "Anti-social" is the only adequate descriptor of a proposal

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. R411001**

for **government** to forbid speech which by centuries old tradition it has protected. Thai tradition was adopted not to aid or abet speakers, but to *benefit* the **public** – the broader society. This is not a legal argument. It is a historical reminder of the logic that has driven our open, free-speaking society since its founding. There is no doubt in my mind that forbidding telephone communications about charitable solicitations by professional fundraisers, unless specifically invited to make them, would have calamitous effects on our society and deeply injurious effects on our economy. Here is why:

**A.     *Charitable giving is responsive.*** The most basic tenet of charitable giving and fundraising is that a donor typically responds to a request. With reduced solicitation, gifts would be significantly less.

**B.     *The professional fundraisers' role is key and beneficial.*** In a majority of cases the request is articulated by an experienced and knowledgeable solicitor in order to inform and motivate the donor. **A** key leader of the sector, Paulette Maehara, CEO of the Association of Fundraising Professionals, estimates that **60** percent to 70 percent of nonprofit and charitable organizations use professionals. One might consider the events of 9/11 an exception, since large amounts of money were donated mostly from general media coverage.

Professional fundraisers are key to the much higher level of contributions per capita in the United States than in other countries. For example, the **U.S.** more ~~than~~ doubles the charitable contributions of the United Kingdom and further surpasses that of other countries. Specialization by professional fundraisers (e.g., by solicitation method, by donee type, or by

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. R411001**

giving instrument) has enhanced this contribution record. The use of new technologies has been strengthened by independent, competitive professional fundraisers that are able to offer charities more efficient services. Although employees of nonprofit and charitable organizations frequently excel at mission-related or program talents, fundraising – while an essential factor for a success – often is not their forte. The use of professional fundraisers **has** become the norm in fundraising.

Telephone solicitation, in particular, for reasons given below, is an integral part of the solicitation infrastructure of the nonprofit sector. In 2000, telephone solicitation **was** second only to one-on-one, big gift solicitation as a source of private charitable gifts – resulting in **\$47.1** billion in contributions. It outproduced direct mail, newspaper, magazine, and television solicitation. *See* 2000-2001 Direct Marketing Association Economic Impact Study. This system would be dealt a massive blow by the drastic do-not-call proposal.

C. ***Targeting communications with existing donors fails to further the goals of preventing fraud or protecting privacy.*** Existing donors are a segment of a nonprofit's constituency with demonstrated financial support and approval of the nonprofit's work. From the perspective of the nonprofit, existing donors are one of the most important groups to insure the accomplishment of the organization's mission. And from the perspective of the existing donor, fraud and privacy concerns relating to communications with previously supported nonprofit and charitable organizations are not motivating concerns. The donor and the nonprofit have a fundamental interest in eliminating obstacles to their communication.

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. R411001**

D.     *The “Express Verifiable Authorization” is not tenable.* Given that one of the prescribed purposes of charities is to reduce the burdens of government, it is sheer recklessness to approach the prevention of alleged “charitable fraud” by measures that would incapacitate the very network that reduces the government’s burdens. Such a structural collapse is an inherent result of the do-not-call registry itself and is further exacerbated by the proposed “express verifiable authorization” which ignores the psychology and motivations for charitable giving. It is apparent that few, if any, individuals are going to be motivated to donate by an urge to improve their material condition. Moreover, there are no incentives in the TSR or otherwise to prompt a donor to “opt in” to telephone solicitations when the necessary result of doing so is the reduction of his or her net worth. Thus, few donors, on their own initiative, would make an “express verifiable authorization” to receive undifferentiated charitable solicitations. Quite the contrary motivation, on the other hand, is essential to successful fundraising: an honest presentation of a message, of a cause, or of the moving urgency and immediacy of discrete suffering, injustice, spoliation, distress, or the dangerous spread of disaster or disease. The idea that government should interpose a formulaic, one-size-fits-all mechanism between a citizen and his desire to provide aid and assistance to those in need, to say the least, is repulsive.

6.     *The program accomplishments of nonprofits are diminished by a suppression of telephonic “charitable solicitation.”* Nonprofit program accomplishments are an essential part of their reduction of the burdens of government. The truism that fundraising is

TELEMARKETING RULEMAKING – COMMENT  
FTC FILE NO. R411001

educational was recognized by the U.S. Supreme Court in its *Schaumburg* finding that fundraising and education are so intertwined that we would not have one without the other. This point was demonstrated in a landmark study by two accounting professionals which documents important advances by the national Federation on Child Abuse and Neglect in spreading its program message while raising funds for the program. *See* National Committee to Prevent Child Abuse, *Service Efforts and Accomplishments of a Telemarketing Campaign*.

7. ***Reduced fundraising resulting from the proposed TSR amendments will fall disproportionately on the small organizations that perform a significant part of the research and development function in the social realm.*** This is a result of the demographics of the sector, which is composed of a relatively small number of established entities that pursue well funded long-standing missions and a relatively large number of small entities that we rely on for the innovative pursuit of solutions to pressing social problems.

A constituency with a profound interest in the proposed amendments consists of public safety nonprofits related to local uniformed service groups such as police or firefighters. Several thousand individuals represented in these service groups are members of the Not-For-Profit and Charitable Coalition. Their unique circumstances are noteworthy in considering the consequences of implementing the proposed amendments.

First, these organizations have few fundraising options. They must avoid the appearance of impropriety that might be associated with direct solicitation by uniformed

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. R411001**

personnel. They generally do not qualify for United Way or other federated fundraising campaigns. Their fundraising must establish distance between their official status and the request for contributions. They achieve this by hiring professional fundraisers that typically use telephone solicitations to raise funds at special events, in the marketing of supportive advertising in publications, or in direct calling.

September 11 has given us a particular appreciation of the self-sacrifice and bravery of public safety organization members. Significant benefits **flow** to the public from the activities of nonprofits and charities related to their work: training and education programs designed to equip members to serve the public; upgrading salaries, working conditions, retirement benefits and other aspects of members' employment; increasing public knowledge and recognition of members **as** skilled public safety professionals; or to support legislation in the best interests of members and the public. Encouraging these activities is small acknowledgment for the services we receive often beyond the call of duty. It simply is unacceptable that *the* proposed amendments, instead, would choke off their ability to communicate their charitable message and substantially decrease their financial support from the public.

8. ***The unique public benefits from telephone charitable solicitation would not be provided by alternate solicitation methods.*** These benefits include the opportunity to develop rapport with donors in a one-on-one relationship at a cost much lower than required for face-to-face solicitation. Telephone solicitation is essential when time is of the essence,

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FJLE NO. R411001**

as in disaster relief, or if an important tax change, for example, leaves a narrow window of giving opportunity. Interactive exchanges are made possible by telephone communication providing the basis for realistic strategic planning. Small nonprofits can hire professional fundraisers to deliver a message to a large number of current and prospective donors on a scale not possible based on in-house fundraising. Controversial nonprofits find an invaluable opportunity to explain their mission or cause by telephone. It would set back fundraising significantly to take away these specific aids to efficiency and effectiveness – the predictable effect of the Do-Not-Call registry.

9. ***The exemption for in-house use of employees and volunteers will not prevent extensive damage.*** The exemption for nonprofit and charitable organizations to solicit by telephone provided no professional fundraiser is utilized **has** no merit **as** a regulatory methodology. Besides the obvious constitutional and fairness problems raised by this exemption, it presents several practical problems. For large, established charities, telephone solicitation is time sensitive during a designated “campaign” period and **thus** it is not cost effective to maintain permanent **staff** for a periodic effort. Moreover, the benefits of experience and availability of new technology are maximized in professional fundraising firms.

Small or new charities simply could not afford to mount **an** in-house effort. While it might seem that the use of volunteers would provide a significant cost benefit for in-house telephone solicitation, the sector’s experience has been otherwise. Costs for infrastructural

**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. R411001**

equipment, regulatory compliance, training and weeding out ineffective volunteers are significant and simply do not outweigh the more up-to-date and efficient service provided by professional fundraisers.

10. ***Comprehensive federal and state regulation already provides a formidable battery for the successful prosecution of fundraising fraud.*** The recent proliferation of these regulations has added compliance costs for nonprofits and charitable organizations that increasingly reduce the proportion of donations remaining for charitable purposes. Fundraising by professional fundraisers has proven cost effective, but is highly regulated. It is performed pursuant to written contractual agreements that memorialize the terms and conditions of the fundraising campaigns carried out by professionals acting as agents of charitable groups. Many states regularly publish reports on these contracts.

Virtually every state has enacted and enforced state laws regulating fundraising. I have followed this development closely as the publisher of the Survey. These complex “charitable solicitation” statutes contain special provisions with regard to contractual agreements between professional fundraisers and nonprofit and charitable organizations. Exhibit 2 is a copy from the Survey that sets forth the provisions applicable to professional fundraising in the State of Connecticut. The provisions are typical of the strict regulations imposed nationwide, including, for example, annual registration with the state, payment of an annual fee, memorializing all agreements with written contracts, limiting access to bank accounts related to fundraising to nonprofit and charitable organizations, regular reporting to the state

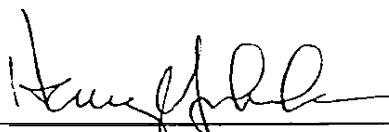
**TELEMARKETING RULEMAKING – COMMENT**  
**FTC FILE NO. R411001**

concerning the fundraising results, annual bond in the amount of \$20,000, detailed disclosures by professional fundraisers, retention and availability of campaign books and records, reporting financial information to the state, and copies to the state of all scripts used by professional fundraisers. State law also requires the adherence to “generally accepted accounting standards” in all reporting with standard reporting of fundraising costs.

In addition to state regulation, the Internal Revenue Service regulates charities and their fundraising. Effective in January 2002, it released final regulations forbidding under threat of heavy penalty taxes paying more than fair value in any transaction with corporate insiders specifically including fundraising transactions.

I declare under penalty of perjury that the foregoing is true and correct.

April 11, 2002  
Date

  
\_\_\_\_\_  
Henry C. Suhrke



## CURRICULUM VITAE

HENRY C. SUHRKE

Editor and Publisher, *The Philanthropy Monthly*  
Publisher, Survey of State Laws Regulating Charitable Solicitation

Education: Northwestern University - B.S. in B.A.  
Harvard University - Graduate School of Business M.B.A

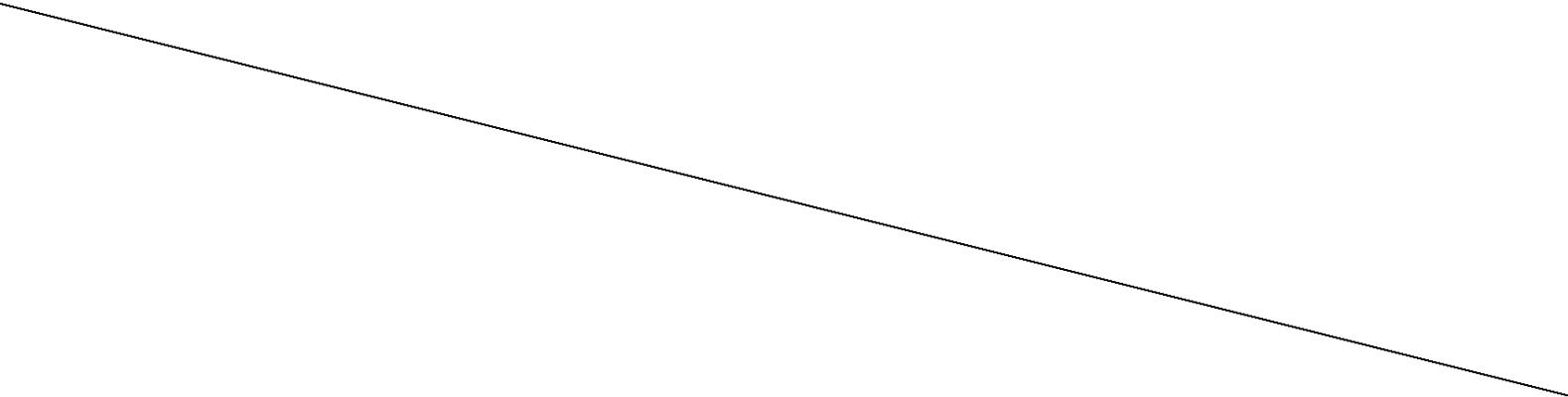
### ACTIVITIES IN THE PHILANTHROPIC SECTOR (cumulative list)

Principal of Henry C. Suhrke, Inc., professional fund raising ~~firm~~, whose clients included:  
The John F. Kennedy Center for the Performing Arts. (Mr. Suhrke managed the  
**successful** corporate fund raising segment **of** the campaign to build the Center).  
Eisenhower Exchange Fellowships  
The *Salk* Institute  
The Travel Program for Foreign Diplomats  
The National Bureau of Economic Research  
The Fletcher School for Law and Diplomacy  
The U. S. Committee for Refugees  
and others.

In 1968 he founded The Philanthropy Monthly and in 1977 the ongoing Survey  
of State Laws Regulating Charitable Solicitation

### **PROFESSIONAL ACTIVITIES** (cumulative list)

Member, Standards Advisory Board, The Philanthropic Advisory Service,  
Council **of** Better Business Bureaus  
Member, Board of Associate Editors, Journal of Voluntary Action Research  
Director, The National Society of Fund Raising Executives Institute  
Member, Model Law Committee (State Charitable Solicitation **Law**)  
Member, Steering committee for the Establishment of the  
National Center for Charitable Statistics  
*Member, The Schaumburg Task Force, INDEPENDENT SECTOR, Inc.*  
U. S. Representative, The International Standing Conference on Philanthropy, England  
Member, Board of Consultants, The Fund Raising School, University of Indiana, Indianapolis  
Director, Member of the Executive Committee, United Way of Connecticut  
President, *Housatonic-Shepaug* United Way (New Milford, CT)



2

**STATUTORY LAW:** Conn. Gen. Stat. § 21a-175, §§ 21a-176 to 21a-190, §§ 21a-190a et seq., as amended through 1999

**AGENCY:** Department of Consumer Protection

**I. CHARITABLE ORGANIZATIONS (COs) - Pertinent definitions are:**

"Charitable organization" means any person who is or holds himself out to be established for any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic or eleemosynary purpose, or for the benefit of law enforcement officers, firefighters or other persons who protect the public safety.

"Charitable purpose" means any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic or eleemosynary objective.

"Contribution" means the grant, promise or pledge of money, credit, property, financial assistance or other thing of any kind or value in response to a solicitation. "Contribution" shall not include bona fide fees, dues or assessments paid by members, provided membership is not conferred solely as consideration for making a contribution in response to a solicitation.

"Solicit" and "solicitation" mean any request directly or indirectly for money, credit, property, financial assistance or other thing of any kind or value on the plea or representation that such money, credit, property, financial assistance or other thing of any kind or value is to be used for a charitable purpose or benefit a charitable organization. "Solicit" and "solicitation" shall include, but shall not be limited to, the following methods of requesting or securing such money, credit, property, financial assistance or other thing of value: (A) Any oral or written request; (B) any announcement to the press, over the radio or television or by telephone or telegraph concerning an appeal or campaign by or for any charitable organization or purpose; (C) the distribution, circulation, posting or publishing of any handbill, written advertisement or other publication; (D) the sale of, offer or attempt to sell, any advertisement, advertising space, book, card, tag, coupon, device, magazine, membership, merchandise, subscription, flower, ticket, candy, cookies or other tangible item in connection with an appeal made for any charitable organization or purpose, or where the name of any charitable organization is used or referred to in any such appeal as an inducement or reason for making any such sale, or when or where in connection with any such sale, any statement is made that the whole or any part of the proceeds from any such sale is to be used for any charitable purpose or benefit any charitable organization. A solicitation shall be deemed to have taken place whether or not the person making the same receives any contribution.

**A. REGISTRATION**

1. Every CO, unless exempted see C. below, must register with the department prior to conducting any solicitation or prior to having any solicitation conducted on its behalf by others.
2. Application for registration shall be made on forms prescribed by the department and shall include payment of a fee of twenty dollars (\$20).
3. Two authorized officers of the CO shall sign the registration form and shall certify that the statements therein are true and correct to the best of their knowledge.
4. A chapter, branch or affiliate in this state of a registered parent organization shall not be required to register provided the principal office of the parent organization is located in this state and provided the parent organization files a consolidated annual report for itself and its chapter, branch or affiliate.

**B. REPORTS AND RECORDS**

1. Every CO required to register must annually file with the department a report for its most recently completed fiscal year, which report shall include a financial statement and such other information as the commissioner may require,
2. When to file - Such CO shall file such report not more than five months following the close of its fiscal year,
3. Fee - This report shall be accompanied by a fee of twenty-five dollars (\$25), and
4. Who must sign report - It shall be signed by two authorized officers of the organization, one of whom shall be the chief fiscal officer of the organization.
5. Certification - Such officers shall certify that such report is true and correct to the best of their

## 2 CONNECTICUT

knowledge. The commissioner shall prescribe the form of the report and may prescribe standards for its completion.

6. **Acceptable alternative reports** - The commissioner may accept, under such conditions as he may prescribe, a copy or duplicate original of financial statements, reports or returns filed by the CO with the Internal Revenue Service or another state having requirements similar to the provisions of sections 21a-190a to 21a-190l, inclusive.
7. **CPA Audit** - A CO with gross revenue in excess of one hundred thousand dollars in the year covered by the report shall include with its financial statement an audit report of a certified public accountant. For purposes of this section, gross revenue shall not include grants or fees from government agencies.
8. **Extension of time to file** - The commissioner may, upon written request and for good cause shown, grant an extension of time, not to exceed three months, for the filing of such report.
9. **Late filing fee** - An additional late filing fee of twenty-five dollars (\$25) shall accompany any report which is not filed in a timely manner.
10. **Maintenance and Retention of Fiscal Records for all COs** - Every CO required to file an annual report and every exempt CO (see Part C, below) shall keep true fiscal records which shall be available to the department for inspection upon request. Such organization shall retain such records for no less than three years after the end of the fiscal year to which they relate.

**C. CO EXEMPT FROM REGISTRATION AND REPORTING REQUIREMENTS, however, each CO must submit such information as the department may require to substantiate such exemption** (These organizations are not exempt from maintaining and retaining true fiscal records.)

1. Any duly organized religious corporation, institution or society;
2. Any parent-teacher association or educational institution, the curricula of which in whole or in part are registered or approved by any state or the United States either directly or by acceptance of accreditation by an accrediting body;
3. Any nonprofit hospital licensed in accordance with the provisions of section 19a-630 or any similar provision of the laws of any other state;
4. Any governmental unit or instrumentality of any state or the United States;
5. Any person who solicits solely for the benefit of organizations described in subdivisions (1) to (4), inclusive, of this section; and
6. Any CO which normally receives less than twenty-five thousand dollars in contributions annually, provided such organization does not compensate any person primarily to conduct solicitations

**D. FEES AND BONDING REQUIREMENTS**

1. Annual Registration fee - \$20
2. Annual Financial Report - \$25; additional late filing fee - \$25
3. Bond - None

## II. FUND-RAISING COUNSEL (FRCs)

**"Fund-raising counsel"** means a person who for compensation plans, manages, advises or consults with respect to the solicitation in this state of contributions by a charitable organization, but who does not solicit contributions and who does not directly or indirectly employ, procure or engage any person compensated to solicit contributions. A bona fide nontemporary salaried officer or employee of a charitable organization shall not be deemed to be a fund-raising counsel.

**A. FILING OF CONTRACTS**

1. Each contract between a CO and a FRC shall be:
  - a. in writing and
  - b. shall be filed by the FRC with the department at least fifteen days prior to the performance by the FRC of any material services pursuant to such contract.
2. The contract shall contain such information as will enable the department to identify the

services the FRC is to provide and the manner of his compensation.

**B. REGISTRATION - A FRC who at any time has custody or control of contributions from a solicitation must register with the department.**

1. Applications for registration or renewal of a registration as a FRC shall:
  - a. be in writing,
  - b. under oath,
  - c. in the form prescribed by the department and
  - d. Fee - shall be accompanied by a fee in the amount of one hundred twenty dollars (\$120).
2. Each application shall contain such information as the department shall require,
3. Each registration shall be valid for one year and may be renewed for additional one-year periods.
4. Bond - An applicant for registration or for a renewal of registration as a FRC shall, at the time of making such application, file with and have approved by the department a bond, in which the applicant shall be the principal obligor in the sum of twenty thousand dollars (\$20,000), with one or more responsible sureties whose liability in the aggregate as such sureties shall be no less than such sum. The FRC shall maintain the bond in effect as long as the registration is in effect. The bond shall run to the state and to any person who may have a cause of action against the principal obligor of the bond for any liabilities resulting from the obligor's conduct of any activities subject to sections 21a-190a to 21a-190l, inclusive, or arising out of a violation of said sections or any regulation adopted pursuant to said sections.
5. Accounting to CO - Any such FRC shall account to the CO with which he has contracted:
  - a. For all income received and expenses paid;
  - b. No later than ninety days after a solicitation campaign has been completed, and in the case of a solicitation campaign lasting more than one year, on the anniversary of the commencement of such campaign.
  - c. Such accounting shall be in writing.
  - d. Shall be retained by the charitable organization for three years and shall be available to the department upon request.

**C. FEES AND BONDING REQUIREMENTS**

1. Annual registration and renewal registration fee - \$120.
2. Bond - \$20,000

**III. PAID SOLICITORS (PSs)**

"Paid solicitor" means a person who for compensation, other than any nonmonetary gift of nominal value awarded to a volunteer solicitor as an incentive or token of appreciation, performs for a charitable organization any service in connection with which contributions are solicited by such person or by any person he directly or indirectly employs, procures or engages to solicit for such compensation. A bona fide nontemporary salaried officer or employee of a charitable organization shall not be deemed to be a paid solicitor.

**A. REGISTRATION**

1. Disqualification to act as PS - No person may act as a paid solicitor if such person, any officer or director thereof, any person with a controlling interest therein, or any person the PS employs, engages or procures to solicit for compensation, has been convicted by a court of any state or the United States of any felony, or of any misdemeanor involving dishonesty or arising from the conduct of a solicitation for a charitable organization or purpose.
2. No person shall act as a PS unless he has first registered with the department
3. Applications for registration and for the renewal of a registration shall be:
  - a. in writing,
  - b. under oath,
  - c. in the form prescribed by the department and
  - d. Fee - shall be accompanied by a fee in the amount of one hundred twenty dollars (\$120).
4. The application shall contain such information as the department shall require.
5. Duration - Each registration shall be valid for one year and may be renewed for additional one-year periods.
6. Bond - An applicant for registration or for a renewal of registration as a paid solicitor shall, at

## 4 CONNECTICUT

the time of making such application, file with and have approved by the department a bond, in which the applicant shall be the principal obliger in the sum of **twenty** thousand **dollars** (\$20,000), with one or more responsible sureties whose liability in the aggregate as such sureties shall be no less than such sum. The paid solicitor shall maintain the bond in effect as long as the registration is in effect. The bond shall run to the state and to any person who may have a cause of action against the principal obliger of the bond for any liabilities resulting from the obliger's conduct of any activities subject to sections 21a-190a to 21a-190j, inclusive, or arising out of a violation of said sections or any regulation adopted pursuant to said sections

### B. FILING OF CONTRACT AND SOLICITATION NOTICE

1. Contract - No less than twenty days prior to the commencement of each solicitation campaign, a **PS** shall file with the department a copy of its contract with **CO** which:
  - a. shall clearly state the respective obligations of the **PS** and the **CO** and
  - b. shall state the minimum amount which the **CO** shall receive **as** a result of the solicitation campaign, which minimum amount shall be stated **as** a percentage of the gross revenue. Such minimum amount shall not include any amount which the **CO** is to pay **as** expenses of the solicitation campaign.
2. Solicitation Notice - Along with the copy of the contract the **PS** must file a completed solicitation notice on forms prescribed by the department. A solicitation notice shall be:
  - a. in writing and under oath,
  - b. shall include a description of the solicitation event or campaign,
  - c. the location and telephone number from which the solicitation is to be conducted,
  - d. the names and residence addresses of all employees, agents or other persons however styled who are to solicit during such campaign
  - e. the account number and location of all bank accounts where receipts from such campaign are to be deposited.
  - f. Copies of campaign solicitation literature, including **the** text of any solicitation to be **made** orally, shall be attached to the solicitation notice.
  - g. Certification by **CO** - The **CO** on whose behalf the paid solicitor is acting shall certify that **the** solicitation notice and accompanying material are true and complete.

### C. FEES AND BONDING REQUIREMENTS

1. Annual Registration and renewal registration fee - \$120.
2. Bond - \$20,000

### D. REQUIRED DISCLOSURES

1. A **PS** shall, prior **to** orally requesting a **contribution**, and at the same time at which a **written** request **for a** contribution **is** made, clearly and conspicuously disclose at the point **of** solicitation:
  - a. his name **as** on file with the department.
  - b. the fact that he is a paid solicitor and
  - c. the percentage of the gross revenue which the **CO** shall receive, **i.e.** the minimum amount which the **CO** shall receive as a result of the solicitation campaign. which minimum amount shall be stated **as** a percentage of the gross revenue. Such minimum amount shall not include any amount which the **CO** is to pay **as** expenses of the solicitation campaign.
2. Written Confirmation - A **PS** shall, in the case of a solicitation campaign conducted orally, *whether by telephone or otherwise*, send a written confirmation to each person who has pledged to contribute, **no** more than five days after such person has been solicited, which confirmation shall include a clear and conspicuous disclosure of the information set forth in 1.a. through c., above.

### E. PROHIBITED ACTS AND DUTIES

1. CO's written consent **to the use** of its name - A PS shall not represent that any part of the contributions received will be given or donated to any CO unless such organization has consented in writing to the use of its name, prior to the solicitation. Such written consent shall be signed by two authorized officers, directors or trustees of the charitable organization.
2. Tickets to be donated for the **use of another** - No PS shall represent that tickets to an event are to be donated for use by another, unless the PS solicitor has first obtained a commitment, in writing, from a [donee] CO stating that it will accept donated tickets and specifying the number of tickets which it is willing to accept and provided no more contributions for donated tickets shall be solicited than the number of ticket commitments received from the CO.
3. A PS shall require any person he directly or indirectly employs, procures or engages to solicit to comply with the above described disclosure provisions and to refrain from committing the described prohibited acts.

#### F. FINANCIAL REPORT

1. A PS shall file a **FINANCIAL REPORT** for the campaign with the department **no** more than ninety days after a solicitation campaign has been completed, and *on the anniversary of the commencement of any solicitation campaign which lasts more than one year.*
2. The **FINANCIAL REPORT** shall include:
  - a. **gross** revenue and **an** itemization **of all** expenditures incurred.
  - b. The report shall be completed on a form prescribed by the department.
  - c. Certification by PS and **CO** - An authorized official of the PS and two authorized officials of the CO shall sign such report and they shall certify, under oath, that such report is true and complete to the best of their knowledge.

#### G. BOOKS AND RECORDS

1. A PS shall maintain during each solicitation campaign and for not less than three years after the completion of each such campaign the following records, which shall be available to the department for inspection upon request:
  - a. The name and address of each contributor and the date and amount of the contribution, provided the department shall not disclose this information except to the extent necessary for investigative or law enforcement purposes;
  - b. The name and residence of each employee, agent or other person involved in the solicitation; and
  - c. Records of all income received and expenses incurred in the course of the solicitation campaign.
2. Tickets **to** be donated **for** the use **of** another - If a PS sells tickets to **an** event and represents that tickets will be donated for use by another, the PS shall maintain, for not less than three years after the completion of such event, **the** following records, which shall be available to the department for inspection upon request:
  - a. The name and address of contributors donating tickets and the number of tickets donated by each contributor; and
  - b. The name and address of all organizations receiving donated tickets for use by others, including the number of tickets received by each organization.

#### H. DISPOSITION OF COLLECTED FUNDS (Bank Accounts)

1. All funds collected by the PS shall be deposited in a **bank** account.
2. The **bank** account shall be in the name of the **CO** with whom the PS has contracted **and** the CO shall have sole or joint control of the account.

- I. **CHANGE IN INFORMATION** - Any material change in any information filed with the department pursuant to this section shall be reported in writing by the PS to the department not more than seven days after such change occurs.

### IV. COMMERCIAL COVENTURER (CCV) - Pertinent definitions are:

## 6 CONNECTICUT

"Commercial coventurer" means a person who for profit is regularly and primarily engaged in trade or commerce in this state other than in connection with the raising of Funds for charitable organizations or purposes and who conducts a charitable sales promotion

"Charitable sales promotion" means an advertising or sales campaign, conducted by a commercial coventurer, which represents that the purchase or use of goods or services offered by the commercial coventurer are to benefit a charitable organization or purpose.

### A. FILING OF CONTRACT

1. Every CO which agrees to permit a charitable sales promotion to be conducted in its behalf, shall obtain a written agreement from the CCV and file a copy of such agreement with the department not less than ten days **prior** to the commencement of the charitable sales promotion within this state.
2. Required contract provisions - An authorized representative of the CO and the CCV shall sign such agreement and the terms of such agreement shall include the following:
  - a. The goods or services to be offered to the public;
  - b. The geographic area where, and the starting and final date when, such offering is to be made;
  - c. The manner in which the name of the CO is to be used, including any representation to be made to the public **as** to the amount or per cent per unit of goods or services purchased or used that is to benefit the **CO**;
  - d. A provision for a final accounting on a per unit basis to be given by the CCV to the CO and the date when it is to be made; and
  - e. The date when and the manner in which the benefit is to be conferred on the CO.

**B. ACCOUNTING -** A CCV shall keep the final accounting for each charitable sales promotion for three years after the final accounting date and such accounting shall be available to the department upon request.

**C. DISCLOSURES REQUIRED IN ADVERTISING -** A CCV shall disclose in each advertisement for a charitable sales promotion the amount per unit of goods or services purchased or used that is to benefit the CO or purpose. Such amount may be expressed as a dollar amount or **as** a percentage of the value of the goods or services purchased or used.

## V. PROHIBITED ACTS - It shall be a violation of the act for:

- A. Any person to misrepresent the purpose or beneficiary of a solicitation;
- B.** Any person to misrepresent the purpose or nature of a CO;
- C. Any CO to engage in any financial transaction which is not related to the accomplishment of its charitable purpose, or which jeopardizes or interferes with the ability of the CO to accomplish its charitable purpose;
- D.** Any charitable organization to expend an unreasonable amount of money for solicitation or management;
- E. Any person to use or exploit the fact of registration so **as** to lead the public to believe that such registration constitutes an endorsement or approval by the state;
- F. Any person to misrepresent that any other person sponsors or endorses a solicitation;
- G.** Any person to use the name of a CO, or to display any emblem, device or printed matter belonging to or associated with a CO without the express written permission of the CO;
- H. Any CO to **use** the name which is the same **as** or confusingly similar to the name of another CO unless the latter organization shall consent in writing to its use;
- I. Any CO to represent itself **as** being associated with another CO without the express written acknowledgment and endorsement of such other CO;
- J. Any person to make any false or misleading statement on any document required by the Act;
- K. Any person to fail to comply with the requirements of the Act;
- L. any CO to use the services of an unregistered fund-raising counsel or paid solicitor;

- M. Any fund-raising counsel or paid solicitor to perform any services on behalf of an Unregistered CO

## VI. INVESTIGATIONS, REGULATIONS AND POWERS OF COMMISSIONER

- A. The department, on its own motion or on complaint of any person, may conduct an investigation to determine whether any person has violated or is about to violate any provision of the Act.
- B. The commissioner or his authorized representative may subpoena documentary material relating to any matter under investigation, issue subpoenas to any person involved in or who may have knowledge of any matter under investigation, administer an oath or affirmation to any person and conduct hearings on any matter under investigation.
- C. If any person fails to obey any subpoena issued by the commissioner or his authorized representative pursuant to this section, the commissioner may, after notice, apply to the superior court for the judicial district of Hartford, which court, after a hearing thereon, may issue an order requiring such person to obey such subpoena or any part thereof, together with such other relief as may be appropriate. Any disobedience of any order entered under this section by any court shall be punished as a contempt thereof.
- D. The commissioner may adopt regulations in accordance with the provisions of chapter 54 in order to carry out the provisions of the Act.
- E. The commissioner may deny, suspend or revoke the registration of any charitable organization, fund-raising counsel or paid solicitor which has violated any provision of the Act.
- F. The commissioner may accept a written assurance of compliance when he determines that a violation of said sections is not material and that the public interest would not be served by a denial, suspension or revocation of such registration.
- G. Attorney General and additional remedies - The Attorney General, at the request of the commissioner, may apply to the Superior Court for, and the court may grant, a temporary injunction or a permanent injunction to restrain violations of the Act., the appointment of a receiver, an order of restitution, an accounting and such other relief as may be appropriate to ensure the due application of charitable funds. Proceedings thereon shall be brought in the name of the state.
- H. Penalties - Any person who violates any provision of sections 21a-190a to 21a-190i, inclusive, shall be fined not more than one thousand dollars or imprisoned not more than one year, or both.

## VII. DEFINITIONS

- A. "Charitable organization" means any person who is or holds himself out to be established for any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic or eleemosynary purpose, or for the benefit of law enforcement officers, firefighters or other persons who protect the public safety.
- B. "Person" means an individual, corporation, limited liability company, association, partnership, trust, foundation or any other entity however styled.
- C. "Solicit" and "solicitation" mean any request directly or indirectly for money, credit, property, financial assistance or other thing of any kind or value on the plea or representation that such money, credit, property, financial assistance or other thing of any kind or value is to be used for a charitable purpose or benefit a charitable organization. "Solicit" and "solicitation" shall include, but shall not be limited to, the following methods of requesting or securing such money, credit, property, financial assistance or other thing of value: (A) Any oral or written request; (B) any announcement to the press, over the radio or television or by telephone or telegraph concerning an appeal or campaign by or for any charitable organization or purpose; (C) the distribution, circulation, posting or publishing of any handbill, written advertisement or other publication; (D) the sale of, offer or attempt to sell, any advertisement, advertising space, book, card, tag, coupon, device, magazine, membership, merchandise, subscription, flower, ticket, candy, cookies or other tangible item in connection with an appeal made for any charitable organization or purpose, or where the name of any charitable organization is used or referred to in any such appeal as an inducement or reason for making any such sale, or when or where

## 8 CONNECTICUT

in connection with any such sale, any statement is made that the whole or any part of the proceeds from any such sale is to be used for any charitable purpose or benefit any charitable organization. A solicitation shall be deemed to have taken place whether or not the person making the same receives any contribution

- D. "Charitable purpose" means any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic or eleemosynary objective
- E. "Contribution" means the grant, promise or pledge of money, credit, property, financial assistance or other thing of any kind or value in response to a solicitation. "Contribution" shall not include bona fide fees, dues or assessments paid by members, provided membership is not conferred solely as consideration for making a contribution in response to a solicitation.
- F. "Fund-raising **counsel**" means a person who for compensation plans, manages, advises or consults with respect to the solicitation in this state of contributions by a charitable organization, but who does not solicit contributions and who does not directly or indirectly employ, procure or engage any person compensated to solicit contributions. A bona fide nontemporary salaried officer or employee of a charitable organization shall not be deemed to be a fund-raising counsel.
- G. "Paid solicitor" means a person who for compensation, other than any nonmonetary gift of nominal value awarded to a volunteer solicitor as an incentive or token of appreciation, performs for a charitable organization any service in connection with which contributions are solicited by such person or by any person he directly or indirectly employs, procures or engages to solicit for such compensation. A bona fide nontemporary salaried officer or employee of a charitable organization shall not be deemed to be a paid solicitor.
- H. "Commercial coventurer" means a person who for profit is regularly and primarily engaged in trade or commerce in this state other than in connection with the raising of funds for charitable organizations or purposes and who conducts a charitable sales promotion
- I. "Charitable sales promotion" means an advertising or sales campaign, conducted by a commercial coventurer, which represents that the purchase or use of goods or services offered by the commercial coventurer are to benefit a charitable organization or purpose.
- J. "Department" means the Department of Consumer Protection.
- K. "Commissioner" means the Commissioner of Consumer Protection.
- L. "Membership" means that which entitles a person to the privileges, professional standing, honors or other direct benefit of the organization and the rights to vote, elect officers and hold office in [the organization.
- M. "Parent organization" means that part of a charitable organization which supervises and exercises control over the solicitation and expenditure activities of one or more chapters, branches or affiliates.
- N. "Gross revenue" means income of any kind from all sources, including all amounts received as the result of any solicitation by a paid solicitor.